

*Income Tax Act*

I referred to the fact that the Minister of Finance must take the responsibility for having last year the largest deficit, I believe in Canadian history. I have made reference to our national debt and the interest charges thereon. In making the announcement that the government plans to balance its budget the minister is pursuing the right objective even though some of the means used are open to serious question.

To sum up our position, it is based on the following considerations. First of all, although the unhappy situation in which the nation and the government find themselves is largely of the government's own making, we cannot turn back the clock so we must do what we can to assist in minimizing the effect of the past mistakes of the government.

Second, as I have stated, we have always favoured the principle of balanced budgets. We therefore welcome the government's move to achieve that end by further cuts in government expenditure and by holding the line on increasing the number in the public service. As a result we are prepared to accept the principle of the more widely based surtax as a temporary measure, and we are glad that the government has place in the legislation the limitation that the surtax will apply for not more than a two-year period. Under the other proposal the situation was wide open; the government could have forgotten about the tax and it would have become a permanent feature. There is at least an indication now that at some time we can debate this matter again and that the surtax could not become permanent without the approval of parliament.

Third, Mr. Chairman, a critical situation faces the country, and inasmuch as our monetary system depends to a considerable extent on public confidence we do not want to take any position that would have the effect of further weakening that confidence.

**Mr. Alkenbrack:** There is no public confidence in this government.

**Mr. Patterson:** I hear the suggestion that there is no financial crisis or serious financial situation. I think that is open to question. We find indications of it in the responses of important personalities across the country to this proposal. Some people say this is all we can do, some say there is still a lot more to be done, and some are betwixt and between and do not know just what the ultimate effect of the application of these policies is going to

[Mr. Patterson.]

be on the national economy. Honestly speaking and facing the issue, I do not think there are too many who know exactly what will be the ultimate effect of these policies.

Our fourth consideration is the fact that we cannot afford a repetition of the debacle of several days ago. Therefore the decision on this matter has to be forthright and clear, and I believe the time has come when every major issue in this house should be approached with the same attitude.

We were quite prepared to oppose Bill No. C-193 and also to oppose the subsequent confidence motion introduced by the Prime Minister. But we do not believe that a perpetuation of a climate of uncertainty and political chaos would be in the interest of the country. Therefore, for these reasons, although the proposed measures are not the most desirable nor would they have been necessary had proper policies been pursued in the past, it is not our intention to oppose the implementation of what, to us, are temporary palliatives.

• (12:40 p.m.)

**Mr. Nugent:** Mr. Chairman, the subject matter of the resolution we are now considering looks strangely familiar. I thought we had disposed of this government's way of handling the country's finances by the vote on Bill No. C-193. As usual, the government is acting in a strange manner. Talking of strange ways of doing things, may I say that never before in my parliamentary career have I seen parliament treated in the way the Minister of Finance treated it the other day. He introduced his budget resolutions to the television audience of this country with the idea, no doubt, that members of parliament could learn about them from the press if they had not been watching television or listening to radio at the appropriate time. Certainly most members of the house have felt that as members of parliament they are entitled to hear before anybody else does what the government proposes to do. Never before in history has there been an example of such a flagrant denial of responsibility by a government.

This matter concerns every member of parliament since it touches on the rights, duties and privileges of every member. It also touches on the way this institution works. After all, this house is the bastion of our democracy. Our responsibility is to maintain responsible government. Regardless of our party affiliation I believe it is the duty of